GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:4953
ANSWERED ON:20.12.2000
EXEMPTION OF KHADI FROM SALES TAX
SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether the high power committee which went into the functioning of the Khadi Gramodyog Commission had recommended for exemption of Khadi products from Sales Tax;

(b) whether the Union Government have directed the State Governments to exempt these products from Sales Tax;

(c) the reaction of the State Government thereto;

(d) whether the Committee has also drawn the attention of Government towards the unemployment and joblessness of Khadi producers; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a): Yes, Sir.

(b) & (c): The Khadi and Village Industries Commission (KVIC) has written letters to all the Chief Ministers to exempt KVI products from Sales Tax.

(d) & (e): The Committee which had submitted its recommendations in July, 1994 recommended creation of 20 lakhs additional jobs. Out of this 17.53 lakhs jobs were recommended under the Village Industries Sector and remaining 2.47 lakhs jobs under the Khadi Sector.